

E U R O P E A N C O M M U N I T I E S

BULLETIN

1

ECONOMIC AND
S O C I A L
COMMITTEE



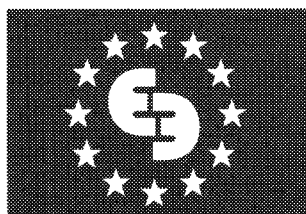
EUROPEAN COMMUNITIES

BULLETIN

94

1

ECONOMIC AND
S O C I A L
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I — 312th Plenary Session of 26 and 27 January 1994

Greek Presidency, Latin America and Structural Funds

Involve the social and economic organizations: this is the theme running through the two Own-initiative Opinions on Latin America and the Structural Funds adopted at the January Plenary Session

Alexandros Baltas, Greek Secretary of State for Trade, came to present the priorities of the Council Presidency at the 26 January session. Priority of priorities: action to combat unemployment.

In the presence of many ambassadors from the Latin American countries, the ESC adopted unanimously an Own-initiative Opinion on relations between the European Union and Latin America (Rapporteur: Mr Vasco Cal, Workers, Portugal), containing specific proposals regarding the assessment of the impact of economic relations and development cooperation (including political dialogue and the social sphere). The third generation agreements and new areas of cooperation (environment, human rights, drugs, science and technology, ...) are also reviewed.

The ESC urges that the European Union continue to promote respect for human rights and take a tougher line on respect for social and trade union rights.

Cooperation between the two regions must be evaluated in qualitative as well as a quantitative terms.

To ensure that this quality is achieved, the social and economic organizations must be involved. This will also help to ensure that the extremely rapid economic development experienced by Latin America in recent years does not founder in social crisis.

With this in mind, the cooperation programmes must be strengthened in the following fields: job creation, support for small and medium-sized industrial and agricultural enterprises and for science and technology, land distribution and integrated rural development, vocational training, environment, combating drugs, working with the NGOs, human rights and help for refugees.

The ESC recommends other programmes to improve the situation of women and cultural relations. It calls for the adoption of EU rules on immigration and emigration.

Another Own-initiative Opinion was adopted, this time on the involvement of the social partners in Community regional policy (Rapporteur: Mr Ettore Masucci, Italy, Workers; Co-Rapporteur: Dame Jocelyn Barrow, UK, Various Interests).

On the subject of Article 4 of the Commission's proposed new Framework Regulation for the Structural Funds, which concerns "complementarity, partnership and technical assistance", the Opinion recommends that the national economic and social organizations submit a formal request to the relevant national authorities, draw up protocols of understanding with the national and regional authorities in order to decide on forums for and types of participation, set up training schemes for socio-economic operators interested in the content, rules and procedures governing Structural Fund assistance. For its part, the Commission must consult the national socio-economic organizations on the mandates for

the individual Community Support Frameworks. As for the Committee, it undertakes to keep an eye on further developments in this process and to make periodic checks on the implementation of the partnership in the regions and areas covered by the Structural Funds.

1. INVESTOR COMPENSATION SCHEMES

Opinion of the Economic and Social Committee on the Proposal for a Council Directive on investor compensation schemes

(COM(93) 381 final - SYN 471)

CES 98/94

Rapporteur : Mr Robert Pelletier (France - Group I)

Gist of the Commission document

On 10 May 1993 the Council adopted Directive 93/22/EEC on investment services in the securities field, the "Investment Services Directive". This Directive is a parallel text to the Second Banking Coordination Directive, which entered into force on 1 January 1993 and provides the simple licence or "European passport" for credit institutions. The Investment Services Directive, when it enters into force on 1 January 1996, will provide the equivalent "European passport" for non-bank investment firms, thereby allowing such firms also to operate on a cross-border basis, either by the free provision of services or through branches, on the strength of the authorization issued by and the prudential supervision carried on by the home State competent authorities.

It was felt that since it was the home Member State authorities which issued the single licence to the investment firm and were responsible for the prudential supervision of all its activities, including those of its branches, it should be for the investor compensation scheme of the home State to bear the consequences of the failure of the firms in its charge.

It was agreed not to cover the matter of investor compensation in the Investment Services Directive. As a result in the text adopted by the Council on 10 May 1993 Article 12 limits itself to a requirement that investors should be informed before doing business with an investment firm of any investor compensation arrangements which would be applicable to them. At the same time the Council took note of the Commission's statement that it would submit proposals on the harmonization of compensation systems covering transactions by investment firms by 31 July 1993 at the latest.

This proposal for a Council Directive on investor compensation schemes constitutes the proposal which the Commission announced when the Investment Services Directive was adopted and represents the further harmonization already envisaged in the Commission's original proposal on investment services.

Article 8a of the Treaty states that the Community shall adopt measures to establish the internal market. The Investment Services Directive is the central relevant measure for investment firms. The present proposal on investor compensation schemes is intended to facilitate the proper operation of the single market.

However, the proposed Directive only contains the minimum harmonization necessary to achieve the objectives being

pursued. It would require Member States to have an investor compensation scheme or schemes. It would set a minimum Community level of compensation per investor, while allowing Member States to provide greater coverage if they so wish. Matters such as the basis on which schemes are organized and the precise funding arrangements would be left to the discretion of the Member States.

Gist of the Committee Opinion

In the absence of any comparative study of the various systems of international private law relating to company failure, the Committee has considerable reservations as to the detailed provisions for the application of this Directive.

In order not to distort competition between investment firms, according to whether or not they are also credit institutions, the Economic and Social Committee considers it desirable that a compensation scheme should cover both cash and financial market instruments, and that the same minimum level of compensation should apply across the board, i.e. ECU 15,000 for certain Member States and ECU 20,000 for the others in respect of both risks (cash and securities).

In the interest of the efficient management of guarantee funds, it is essential that the texts of the deposit guarantee and investor compensation Directives be mutually coherent.

The Member States should be empowered to exclude sophisticated instruments such as financial futures, options, interest rate futures and swaps. Such instruments are used by well informed investors and their nominal amount is much higher than the amount of the compensation provided.

The Committee would like to see the stipulation dropped that the scheme shall cover investors when an investment firm is unlikely to be able to meet its obligations. A supervisory authority, fearing criticism of the quality and efficiency of its work, might be tempted to grant compensation prematurely.

It is essential that the Member States be able to decide themselves whether claims fall under the investor protection or deposit guarantee Directive. Article 2.3. should make it clear that a credit institution can meet the requirements of the Directive either by joining a compensation scheme or by extending deposit guarantees to the protection of investors.

To ensure that this proposal for a Directive and the proposal for a Directive on deposit guarantee schemes are consistent, Member States which do not provide ECU 20,000 cover for investments should be able to limit cover to ECU 15,000 for a transitional period.

The Directive should allow limits to be established for the compensation scheme so that the scheme's expenditure does not endanger the solvency of its member institutions or the stability of the financial community as a whole.

The Committee proposes that a new paragraph be added to Article 3 excluding cover for investors who make false declarations in order to exploit the investor compensation schemes.

The Member States should be able to exclude investments denominated in currencies other than those of the Member States or the Ecu.

A paragraph should be added to Article 7 by virtue of which the compensation scheme could suspend payment of a claim submitted by an investor in the event that the investor in

question is the subject of criminal proceedings directly or indirectly related to money laundering, until the verdict is known.

The purpose of the Directive is to protect the small investor against the failure of an investment firm. The Committee considers that the Directive should not require the coverage of professional investors and firms.

This Opinion was adopted unanimously.

2. SATELLITE COMMUNICATIONS

Opinion of the Economic and Social Committee on the Draft Commission Directive amending Directives 88/301/EEC and 90/388/EEC with regard to satellite communications
(SEC(93) 1891 final)

CES 99/94

Rapporteur : Mr Herbert Nierhaus (Germany - Group II)

Gist of the Commission document

Commission Directive 88/301/EEC of 16 May 1988 on competition in the markets in telecommunications terminal equipment provides for the abolition of special or exclusive rights to import, market, connect, bring into service and maintain telecommunications terminal equipment. This does not cover all types of satellite earth station equipment.

Such exclusive rights constitute measures having equivalent effect to quantitative restrictions incompatible with Article 30 of the EEC Treaty. Thus it is necessary to abolish all existing exclusive rights in satellite earth station equipment importation, marketing, connection, bringing into service and maintenance.

The abolition of special or exclusive rights relating to the connection of satellite earth station equipment makes it necessary to recognize the right to connect this equipment to the switched networks operated by the telecommunications organizations so that licensed operators can offer their services to the public.

Commission Directive 90/388/EEC of 28 June 1990 on competition in the markets for telecommunications services provides for the abolition of special or exclusive rights granted by Member States in respect of the provision of telecommunications services. However, the Directive excluded satellite services from its field of application.

Insofar as it relates to special rights, the Directive was declared void by the Court of Justice of the European Communities on the grounds that neither the provisions of the Directive nor the preamble thereto specify the type of rights which are actually involved and in what respect the existence of such rights is contrary to the various provisions of the Treaty. Therefore, these rights must be defined in this Directive.

Where the number of undertakings authorized to provide satellite telecommunications services is limited by a Member State through the existence of special rights and a fortiori of exclusive rights these also constitute restrictions that could be incompatible with Article 59 of the Treaty.

The exclusive rights that currently exist in the satellite communications field were granted to organizations that already enjoyed a dominant position and are consequently incompatible with Article 90, read in conjunction with Article 86 of the EEC Treaty.

These exclusive rights and special rights, limiting the access to the market, also have the effect of restricting or preventing, to the disadvantage of users, the use of satellite communications that could be offered, thereby holding back technical progress in this area. This is incompatible with Article 90, read in conjunction with Article 86 of the Treaty.

Pursuant to Article 90(2) of the Treaty, Directive 90/388/EEC allows exclusive rights to be maintained for a transitional period in respect of voice telephony. As regards all services other than voice telephony, no special treatment under Article 90(2) is justified.

Most of the available space segment capacity is offered by the international satellite organizations. Member States shall take all appropriate steps to eliminate incompatibilities with the Treaty provisions, where appropriate on the basis of a common position.

Gist of the Committee Opinion

The Committee unreservedly endorses the Commission's draft and notes with satisfaction that many of the suggestions contained in recent ESC Opinions on satellites, satellite services, telecommunications and telecommunications services have been taken into consideration by the Commission.

The Committee would, however, once again like to draw attention to the following points already raised by the ESC in the above Opinions:

- the Commission's justified attempts at harmonization in connection with access to the market in satellite earth station equipment should not result in the formal requirements making things unnecessarily difficult for manufacturers¹;
- the authorization procedure referred to in the final paragraph of Article 2 of the Draft Directive must avoid the risk of preventing rapid technical advances in the field of telecommunications from being exploited because of cumbersome administrative procedures²;
- before liberalization of the entire voice telephony service it is necessary to define the scope, organization and financing of the universal service³;
- the opening up the Community's telecommunications markets to non-Community countries is a good idea, but it is vital for the Community to ensure that the opening-up of the market is not a "one-way street" and that the Member States are allowed parallel and non-discriminatory access to the telecommunications markets of these countries⁴.

This Opinion was adopted unanimously.

¹ cf. ESC Opinion. OJ No. C 161 of 14 June 1993, page 11, point 2.6.

² cf. ESC Opinion. OJ No. C 161 of 14 June 1993, page 11, point 2.9.

³ cf. CES 1166/93, point 6.8.

⁴ cf. CES 1166/93, point 6.10.

3. ZOOTECHNICAL CONDITIONS

Proposal for a Council Directive laying down the principles relating to the zootechnical and genealogical conditions applicable to imports from third countries of animals, their semen, ovules and embryos

(COM(93) 497 final)

CES 100/94

Rapporteur : Mr Georges Proumens (Belgium - Group I)

This Opinion was adopted unanimously.

4. ANIMAL NUTRITION

Opinion of the Economic and Social Committee on the Proposal for a Council Directive fixing the principles governing the organization of inspections in the field of animal nutrition

(COM(93) 510 final)

CES 101/94

Rapporteur : Mr Kenneth J. Gardner (United Kingdom - Group I)

This Opinion was adopted unanimously.

5. EU RELATIONS WITH LATIN AMERICA

Own-initiative Opinion of the Economic and Social Committee on EU relations with Latin America

CES 102/94

Rapporteur : Mr Vasco Cal (Portugal - Group II)

Background to the Own-initiative Opinion

In January 1993 the Committee's Section for External Relations, Trade and Development Policy adopted an Information Report on EC-Latin American Relations.

In this Report the Section pointed to the considerable effort the Community has made in recent years to shift its approach to development in general and to adjust its priorities and the way in which it cooperates so as to achieve a better balance between what it does vis-à-vis Latin American Countries and what it does vis-à-vis ACP countries. The Report welcomed the Community's five-year approach to cooperation as a means of helping to ensure continuity in high priority projects.

The Community's participation in international cooperation programmes was also welcomed.

The Section felt, however, that coordination and complementarity are still lacking between Community development cooperation policy on the one hand, and individual Member State policy on the other. The sort of coordination that the Maastricht Treaty will provide will lead to greater efficacy.

The Section considered, furthermore, that, for the most part, social actors remain peripheral to decision-making and its implementation, as regards cooperation issues within international bodies, donor States and beneficiary States in Latin

America and in Europe. In so far as policy-making on cooperation issues, and policy-making on economic matters, as well as on international relations, are closely linked, inter- and intra-regional contacts must be stepped up.

The Bureau of the Committee decided, in March 1993, that the Information Report, dealing, as it does, with privatization, structural adjustment, sustainable development, democracy and human rights, the role of NGOs, drugs, and the environment, should be transformed into an *Opinion*.

The Section would like, in the course of "converting" the Report into an Opinion, to hold a "hearing" of representatives of Latin American socio-economic interest groups (Employer, Trade-Union, Farmer, Cooperative and other organizations).

Such a "hearing", the results of which hopefully forming part of the Opinion, will enable the Committee to "test out" the findings of the Section's Information Report, on the Committee members' counterparts in Latin America.

It will, furthermore, enable the Committee to check out, in particular, the value of stepping up the degree of *cooperation* between, on the one hand, the EC and each of the Latin American countries and, on the other, the EC and *regions* or sub-regions of Latin America.

The Committee can too, together with its Latin American counterparts, look at the economic and social aspects of the *integration* process taking place in certain specific regions in Latin America, a process which the Community tends to foster.

Finally, the Economic and Social Committee will, in such a "hearing", be able to discuss with Latin American employer, trade-union, farmer, cooperative and other interest groups the whole question of *social dialogue* as a force for economic and social stability, dialogue *within* a given country or region, or *between* regions i.e. between Latin American socio-economic interest groups and their European counterparts in the Economic and Social Committee.

Gist of the Committee Opinion

This Opinion (i) discusses the main EU/Latin American issues; (ii) puts forward possible solutions and recommendations and (iii) analyzes future prospects in those fields most relevant to EU-Latin American cooperation. Attention focuses on the EU's role in Latin America and on the impact of economic relations and development cooperation between the two regions (including political dialogue and cooperation in the social sphere), including the third generation agreements and the New Agenda for inter-regional cooperation (environment, human rights, drugs, science and technology, etc.). A copy of the report on the hearing held on 30 September/1 October 1993 of representatives of Latin American economic and social interest groups is appended to the Opinion.

The annual interministerial conferences under the San José Process (since 1984), the institutionalized meetings between the EC and the Rio Group (since 1990), and the two-yearly meetings between the European Parliament (EP) and the Latin American Parliament (since 1974) represent an appropriate institutional framework for furthering relations between the two regions. The Committee calls on the EU to continue,

through political dialogue, to promote respect for human rights and take a tougher line on social rights.

Launching political dialogue along new lines - in keeping with the greater impetus towards cooperation, addressing specific cooperation problems, and responding to Latin American requests - requires (i) increasing and making better use of EU and Member State resources for cooperation (ii) observing priorities (iii) rationalizing use of resources (iv) making conditions of access to cooperation more flexible and (v) gradually broadening the agenda to include issues identified by Latin America.

Furthermore, the Maastricht Treaty specifies that the preconditions should be created for ensuring that Member State and EU cooperation policies are coherent and complementary. The Commission is urged to prepare an overall report on the scope and impact of EU cooperation in Latin America.

In the area of trade, the Commission should launch a major information initiative among Latin American operators to ensure that they can meet the new requirements and adequately exploit the new opportunities of the European Internal Market. To promote European investment in Latin America, the Commission should prepare studies and draw up proposals for expanding the range of appropriate Community instruments. The Committee further recommends that the GSP arrangements for the three Andean Pact and six Central American countries be extended. A universally acceptable solution must also be found to the banana problem.

Regional integration in Latin America is of particular interest to the Committee. Progress is being made on such integration projects as the Andean Pact, the General Treaty on Central American Economic Integration and MERCOSUR, although the focus is only on trade liberalization.

The challenge facing these integration processes is to boost intra-regional trade and achieve levels of productivity and competitiveness in line with international market requirements, while taking account of the interests of local businesses and the social situation of the majority of the population. The Committee feels it is essential that the EU cooperation programmes help to reinforce the links between (i) economic development and regional integration and (ii) the defence of human and trade-union rights.

The Community's own experience of removing internal borders, economic and social cohesion, consultation of the social partners and social and economic regulation could perhaps be of considerable assistance to the Latin American social partners in making up their minds about the advantages and disadvantages of integration in their own region. The Committee therefore urges the Union to create opportunities for cooperation with the social partners in both regions and for an exchange of information and experience by organizing regular meetings with economic and social partners in Latin America.

The Committee believes that the EU should strengthen cooperation in the following traditional fields: job creation, support for industrial and agricultural SMEs, measures to promote investment, support for scientific and technological projects, promotion of agricultural and rural development (including land distribution), better vocational training, combating environmental pollution, the anti-drugs campaign, encouraging development action through NGOs, improvement of

the human rights situation, and help for refugees. Support should also be given to projects aimed at enhancing the status of women, cultivating cultural ties and adopting an EU immigration system.

This Opinion was adopted unanimously.

6. STRUCTURAL IMPROVEMENTS IN INLAND WATERWAY TRANSPORT

Opinion of the Economic and Social Committee on the Proposal for a Council Regulation (EC) modifying Regulation (EEC) No. 1101/89 on structural improvements in inland waterway transport (COM(93) 553 final - SYN 475)

CES 103/94

Rapporteur-General: Mr Gerhard von Haus (Germany - Group I)

Gist of the Commission proposal

Council Regulation 1101/89 of 27 April 1989 introduced a number of measures designed to abolish overcapacity in inland waterway transport.

The Regulation provided for two sets of measures:

- payment of "scrapping premiums" to reduce capacity and
- "old for new" arrangements designed to curtail investment in new vessels over a five-year period.

The "old for new" arrangements require companies wishing to bring new capacity into service:

- a) to scrap a tonnage equivalent to the new vessel's tonnage, without receiving a scrapping premium,
- b) if they decline to scrap this tonnage, they have to pay a special contribution to the scrapping fund equivalent to the scrapping premium for the type of vessel to be brought into service.

The first five-year period expires in April 1994 and the Commission proposal is to be seen against this background.

The proposal is accompanied by a report on the impact of structural improvement measures in 1989-1993. The report reveals that the measures have operated satisfactorily but that there is still structural overcapacity in inland waterway transport.

The Commission therefore proposes that the "new for old" arrangements be extended for a further five years from April 1994.

Gist of the Committee Opinion

The Committee welcomes the Commission proposal to extend the "old-for-new" system for a further five years.

It notes that the scrapping scheme mainly removed smaller vessels from the market, and that these were partly replaced by larger, technically more advanced and more productive ships. The insufficient differentiation of the scrapping premium or special contribution for larger vessels thus had unfortunate effects.

The aim should be a uniform market system on the western European inland waterway market, involving a harmonization of conditions of competition and the abolition of "tour-de-rôle" schemes.

This Opinion was adopted unanimously.

7. INVOLVEMENT OF THE SOCIAL PARTNERS IN REGIONAL POLICY

Own-initiative Opinion of the Economic and Social Committee on the involvement of the social partners in Community regional policy

CES 104/94

Rapporteur: Mr Ettore Masucci (Italy - Group II); Co-Rapporteur: Dame Jocelyn Barrow (United Kingdom - Group III)

Gist of the Committee Opinion

After tracing the growing recognition of the importance of involving the social partners in Community regional policy, the Opinion looks in detail at Article 4 of the new Framework Regulation governing the Structural Funds.

The Opinion goes on to assess the degree to which socio-economic organizations in the Member States are actually involved in the various levels of EC structural policy implementation. This part of the Opinion draws on the findings of a questionnaire which was widely circulated among national and regional organizations.

While acknowledging that the trends in participation are relatively positive, the Opinion highlights a number of persistent shortcomings and problems.

The Opinion also considers the identification and role of the relevant partners, and examines the various forms of partnership and participation instruments.

The Opinion ends by recommending some steps to be taken by both the socio-economic organizations and the Commission to ensure the smooth operation of Article 4 of the new Framework Regulation. For its part, the Committee undertakes to make periodic checks on the progress made.

This Opinion was adopted by a majority with 6 abstentions.

8. PROTECTION OF ANIMALS DURING TRANSPORT

Proposal for a Council Directive amending Directive 91/628/EEC concerning the protection of animals during transport (COM(93) 330 final)

CES 105/94

Rapporteur: Mr José Luis Mayayo Bello (Spain - Group III)

This Opinion was adopted by 56 votes for, 8 votes against and 18 abstentions.

9. EU AND ASSOCIATED COUNTRIES OF CENTRAL AND EASTERN EUROPE: COMMON PROBLEMS

Information Report of the Section for External Relations, Trade and Development Policy on EU relations with the associated countries of Central and Eastern Europe, focusing in particular on common problems in the field of energy, environment, transport and telecommunications

CES 862/93 fin

Rapporteur: Mr Ettore Masucci (Italy - Group II);
Co-Rapporteurs: Mr René Bleser (Luxembourg - Group II); Mr Klaus-Benedict von der Decken (Germany - Group III); Mr José Ignacio Gafo Fernandez (Spain - Group I)

Reasons for drawing up an Information Report

In its Opinion of November 1992 on economic and social organizations in the countries of Central and Eastern Europe (Rapporteur: Mr Masucci) (OJ No. C 19 of 25 January 1993) the Committee instructed its Sections, within the limits of their terms of reference, to select themes of interest to the Community countries and the CEEC in order to lay a practical foundation for dialogue between the socio-economic interest groups of the two areas at future meetings and perhaps also within the Joint Consultative Committee proposed in this Opinion.

The argument was that there were a number of horizontal cooperation projects which transcended national borders and affected both the Community and the countries of Central and Eastern Europe.

Examples include:

- *Environment* (purification technology; environmental protection in industry and waste disposal plants).
- *Energy* (grid systems; power stations; natural gas pipelines within the countries of Central and Eastern Europe or between the EU and the countries of Central and Eastern Europe; energy-saving installations).
- *Transport and telecommunications* (links within the countries of Central and Eastern Europe or between the EU and the countries of Central and Eastern Europe).

This Information Report, with its selection of themes of common interest, should serve as a background document for discussions at the second meeting between a Committee delegation and representatives of economic and social organizations from the associated countries of Central and Eastern Europe. This meeting will deepen the contacts established at the first meeting in September 1992 and represent a further step towards lasting cooperation.

In view of the fact that problems of a more general nature were discussed at the first meeting, there is now an opportunity to concentrate on concrete economic and social issues and draw more practical conclusions.

Gist of the Information Report

The Information Report covers three topics:

- energy policy;

- transport and telecommunications policy;
- environment policy.

The three topics are closely linked by the question of environmental impact, by the fact that they are of public interest or involve a public service, and by their importance for the quality of development. The need which these countries feel for earlier and closer relations with the Community, with a view to bringing forward accession, involves harmonization processes, for example in the environmental and energy sectors. Restructuring in the transport and energy sectors could have an adverse impact on employment, and this problem should receive greater consideration, not least in the PHARE programme.

The Section reiterates the request, already made in an ESC Own-initiative Opinion, for provision to be made - in the context of the "multilateral framework for a strengthened dialogue" referred to in the Copenhagen Conclusions - for a joint committee of the economic and social partners of the two areas.

In the energy sector, the Section notes the serious lack of logistical infrastructure for the delivery and storage of hydrocarbon imports from other geopolitical areas. Even today, virtually all the fuel oil and natural gas used in the CEEC comes from the republics of the former USSR. Heavy natural gas losses occur in the distribution networks, while the infrastructure for distributing oil products is modest.

In the energy sector, the following points should be emphasized:

- the rational use of energy must form a priority goal; information and training programmes must be provided for the general public, consumer associations, the social partners and firms;
- the adjustment of tariffs, while necessary, must take account of real income trends among the population;
- special attention must be paid to the environmental impact of the installations and infrastructure used to produce and transmit energy.

An appropriate transport and telecommunications policy which strengthens the links between the two areas is essential in order to maintain the rapid expansion of trade which has occurred in the last three years and to encourage a greater flow of investment. This is important both to encourage Community investors and for integrated economic development in the region as a whole. Whilst the CEEC provide scarcely 3% of total imports into the Community (7.4% in the case of Germany), 50% of the CEEC's trade is now with the Community.

In the transport sector, the following points should be emphasized:

- effective infrastructure development must be environmentally and socially acceptable: it must not create wider marginalization, and this means that all interested parties must be allowed a say in regional planning;
- a balance must be struck between public transport and private transport: the public service obligation must be guaranteed;
- the competition principle (particularly in such sectors as road transport) must not conflict with the principle of maintaining acceptable working conditions.

Environmental problems cannot and must not be considered in isolation; they are indissolubly linked to the countless difficulties which come with political change, a sometimes dramatic economic crisis, and attempts to create a free market economy. And all this comes in the wake of decades of environmental degradation and, above all, of rising poverty. Furthermore, many environmental issues are typically supra-national (acid rain, deforestation, etc.).

With reference to the environment it should be emphasized that:

- neglect of environmental aspects in the short term is likely to lead to many more serious problems over the medium to long term;
- there must be no contradiction between economic development and environmental protection: indeed, the two policies can be mutually supportive;
- programmes must take account of particular regional, ethnic and cultural needs. It is precisely for this reason that the contribution of the socio-economic groups is so important;
- the environmental aspects of sectoral policies will only gain ground if there is an increase in individual and general awareness, with confirmation of the principle of self-determination for the populations affected by the environmental impact of infrastructure works and manufacturing plant.

The Assembly decided unanimously to send the Information Report to the other Institutions.

II — Outside Presence and Influence of the ESC

Activities of the Chairman

13 January 1994, Brussels, attendance at a meeting of the ESC/EFTA Contact Group preparing for the first (inaugural) meeting of the EEA (European Economic Area) Consultative Committee and election of members to the Bureau of the EEA-CC.

13 January 1994, Brussels, meeting with representatives of Hungarian economic and social organizations.

20/21 January 1994, Rabat (Morocco), working visit by an ESC delegation. On 20 January 1994 a working session was held at the headquarters of the National Council for Youth and the Future. On 21 January 1994 the ESC delegation held meetings with the socio-economic organizations in Casablanca, visited the Minister for State responsible for foreign affairs and cooperation and the Deputy Minister responsible for human rights, and then took part in a working session with the Parliamentary Committee for Foreign Affairs and Cooperation.

Other activities

5 January 1994, Brussels, before the members of the Section for Industry, Commerce, Crafts and Services, statement by

Mr Heinrich von Moltke, Director-General of Commission DG XXIII, on the Commission Communication *''On the financial problems experienced by small and medium-sized companies''*.

7 January 1994, Brussels, before the members of the Section for Economic, Financial and Monetary Questions, a statement by Mr Ludwig Schubert, Director in Commission DG II, on the *Annual Economic Report for 1994*.

12 January 1994, Brussels, at the 156th meeting of the Section for Transport and Communications, Mr Robert Coleman, Director-General of DG VII, presented the Commission's programme for 1994 in the field of transport.

III — Fact-finding visits

During the period covered by this Bulletin, the following groups visited the Economic and Social Committee:

- 13 January 1994 European Academy of North-West Europe (North France Departmental Centre for International Exchanges), Lille (France)
- 13 January 1994 ISOPLAN - Institute for Development Research, Economic and Social Planning (''Euroadvisers'' group), Saarbrücken (Germany)
- 14 January 1994 Group of Austrian regional officials
- 17 January 1994 Group of trainees from the German parliament
- 18 January 1994 Lycée Notre Dame du Grandchamp, Versailles (France)
- 18 January 1994 Bavarian Information office (Group of industrial employees) and data processors from Lower Saxony (Germany)
- 19 January 1994 Enfield College (UK)
- 20 January 1994 Staffordshire University, Stoke-on-Trent (UK)
- 20 January 1994 University of Newcastle-upon-Tyne (Newcastle Law School) (UK)
- 21 January 1994 Potsdam University (Germany)
- 27 January 1994 Claude Bernard University (Lyon Institute of Industrial Pharmacy) (France)
- 28 January 1994 Institut Bernom, Bordeaux (France)
- 28 January 1994 European Union of Women, Lymington (UK)
- 31 January 1994 Lesneven Rural Institute (France)